

HOUSE BILL No. 1617

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-18-2-183.5; IC 16-21.

Synopsis: Hospital bylaws. Prohibits the governing board of a hospital from modifying the hospital's bylaws without first consulting with a medical staff review committee consisting of five physicians on the hospital's medical staff. Provides that the modification of a hospital's bylaws without consulting the medical staff review committee is a deficiency that must be noted by the state department of health. Requires the state department to order a hospital to disband its governing board if there are subsequent deficiencies, and provides that at least half of the members of the replacement governing board must be physicians who are members of the hospital's medical staff. Requires a hospital to note in its annual report to the state department whether the hospital's bylaws were modified and, if so, whether the medical staff review committee was consulted about the modification.

Effective: July 1, 2003.

Brown T, Reske

January 16, 2003, read first time and referred to Committee on Public Health.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1617

A BILL FOR AN ACT to amend the Indiana Code concerning health.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 16-18-2-183.5, IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2003]: **Sec. 183.5. "Medical staff review**
4 **committee", for purposes of IC 16-21-2, has the meaning set forth**
5 **in IC 16-21-2-7.5.**

6 SECTION 2. IC 16-21-2-7.5 IS ADDED TO THE INDIANA CODE
7 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
8 1, 2003]: **Sec. 7.5. (a) As used in this chapter, "medical staff review**
9 **committee" means a panel that:**

10 **(1) is comprised of five (5) physicians who are:**

11 **(A) licensed under IC 25-22.5;**

12 **(B) members of the medical staff of the hospital; and**

13 **(C) selected by the physicians on the medical staff of the**
14 **hospital; and**

15 **(2) has the purpose of consulting with the governing board of**
16 **the hospital regarding the modification of a hospital bylaw.**

17 **(b) A hospital bylaw may not be modified until the governing**



board has consulted with the medical staff review committee concerning the proposed modification.

(c) If a governing board modifies a hospital's bylaw before first consulting with the hospital's medical staff review committee under subsection (b), the governing board has committed a deficiency for purposes of this chapter.

(d) The state department shall indicate a deficiency on the hospital's inspection report and shall report the deficiency to the Joint Commission on Accreditation of Health Care Organizations.

(e) If the governing board of a hospital commits subsequent deficiencies under this chapter after the commission of an initial deficiency, the state department shall order the hospital to disband the governing board. A new governing board must be appointed not later than sixty (60) days after the state department's order. At least fifty percent (50%) of the members of a new governing board appointed under this subsection must be physicians licensed under IC 25-22.5 who are members of the hospital's medical staff.

(f) A member of a medical staff review committee may notify the state department if a governing board fails to comply with this chapter.

SECTION 3. IC 16-21-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) Each hospital shall file with the state department a report for the preceding fiscal year within one hundred twenty (120) days after the end of the hospital's fiscal year. The state department shall grant an extension of the time to file the report if the hospital shows good cause for the extension. The report must contain the following:

- (1) A copy of the hospital's balance sheet, including a statement describing the hospital's total assets and total liabilities.
- (2) A copy of the hospital's income statement.
- (3) A statement of changes in financial position.
- (4) A statement of changes in fund balance.
- (5) Accountant notes pertaining to the report.
- (6) A copy of the hospital's report required to be filed annually under 42 U.S.C. 1395g, and other appropriate utilization and financial reports required to be filed under federal statutory law.
- (7) Net patient revenue.
- (8) A statement including:
 - (A) Medicare gross revenue;
 - (B) Medicaid gross revenue;
 - (C) other revenue from state programs;
 - (D) revenue from local government programs;



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- 1 (E) local tax support;
- 2 (F) charitable contributions;
- 3 (G) other third party payments;
- 4 (H) gross inpatient revenue;
- 5 (I) gross outpatient revenue;
- 6 (J) contractual allowance;
- 7 (K) any other deductions from revenue;
- 8 (L) charity care provided;
- 9 (M) itemization of bad debt expense; and
- 10 (N) an estimation of the unreimbursed cost of subsidized
- 11 health services.
- 12 (9) A statement itemizing donations.
- 13 (10) A statement describing the total cost of reimbursed and
- 14 unreimbursed research.
- 15 (11) A statement describing the total cost of reimbursed and
- 16 unreimbursed education separated into the following categories:
- 17 (A) Education of physicians, nurses, technicians, and other
- 18 medical professionals and health care providers.
- 19 (B) Scholarships and funding to medical schools, colleges, and
- 20 universities for health professions education.
- 21 (C) Education of patients concerning diseases and home care
- 22 in response to community needs.
- 23 (D) Community health education through informational
- 24 programs, publications, and outreach activities in response to
- 25 community needs.
- 26 (E) Other educational services resulting in education related
- 27 costs.
- 28 **(12) A statement setting forth, for each modification of a**
- 29 **hospital's bylaws, the date on which the bylaws were modified**
- 30 **and whether the bylaws were modified in accordance with**
- 31 **IC 16-21-2-7.5.**
- 32 (b) The information in the report filed under subsection (a) must be
- 33 provided from reports or audits certified by an independent certified
- 34 public accountant or by the state board of accounts.

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